- 1. The SED hierarchy, except for a small group fanatically devoted to Ulbricht, is seriously disquieted about the prospect of a permanent division of Germany. Most high-ranking Communist functionaries, as well as their surviving bourgeois partners, have until now lived in the illusion that the Kremlin would be able to achieve the unification of both Bast and West Germany under conditions acceptable to themselves. This is still the official propaganda line, but the rank and file does not take it seriously any longer.
- 2. The SED leaders however, have recently been assured that Malenkov and Molotov have a new plan under consideration which will break the deadlock concerning the unification of Germany. Malenkov and Molotov are considering abandonment of the idea of achieving German unification through a four power Conference and will shortly propose a "European solution". The plan includes the formation of a Council of the European Nations, superseding but not hostile to the organization in Strasbourg. This new council would include all the existing European states, of the East and the West, without a single exception. In addition to the five countries of the EDC and Germany, the six People's pemocracies (Poland, Czechoslovakia, Hungary, Bulgaria, Rumania, and Albania) and also yugoslavia, Greece, Switzerland, the Scandinavian countries, Spain, and Portugal Would become members, but only states situated on the European Continent would be invited, and no non-European nower (among which the USSR would count herself) would participate in the council.

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- 3. The new council would have two primary objectives, first, to unite the two Germanys under the supervision of the council (elections both in East and West Germany), and second, to conclude a Peace Treaty with united Germany and Austria based on a Charter of Europe, which would guarantee the territorial integrity and the national independence of all the European partners. Disputed border areas, as for instance Trieste, would be administered by a High Commission of the new European Council until a settlement on the final disposition of the disputed areas is reached. Each signatory of this charter would retain full sovereignty, including authority over its own armed forces, and this provision would apply to Germany also. However, the strength and type of the equipment of the German Army would be settled and for a long period (20 to 50 years) the German Army would not be permitted to grow beyond a generally accepted limit.
- 4. The signatories, of the European Charter would be pledged to preserve the status quo and to come to each other's assistance in case one of the states violates the charter, while changes of boundaries would be permitted on the basis of negotiations between the parties concerned and after their agreement has been endorsed by the council.
- 5. The charter would solemnly pledge that no foreign troops may be stationed, nor bases of foreign powers maintained, in the signatory countries. All signatories should be admitted to the UN (insofar as they are not already members) after the four major allies of World War II (USSR, UK, France, and the US) have guaranteed the inviolability of this suropean shall or by a special pact.
- 6. The SEL leaders believe that this project would find a friendly reception in France, Belgium, the Netherlands, Scandinavia, and Italy. It would permit the West European Socialists to shift their Europeanism from half-hearted support of the EDC to a wider project, tailored to their political philosophies. It would also strengthen the movement for European independence which the Communists believe to be in ascendancy in West Europe, while mitigating the malaise in the Rastern People's Democracies because of the permanent division of Europe. France could keep her sovereign position and would become part of a coalition against eventual inflated aspirations of united Germany, with her old partners, Poland and Czechoslovakia ready to assist her. Yugoslavia, it is felt, could thereby again become helpful. Anyway, a prolonged discussion would follow the launching of this plan lasting probably several years, before any practical collaboration between the East and West Duropean countries could be achieved. In high Berlin Communist circles source noted however some reserve toward this project, because those responsible to Moscow fear that any proposal of a European Charter may have a corroding effect in Soviet Germany. - end -

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